



Reprinted  
January 28, 2004

## SENATE BILL No. 274

DIGEST OF SB 274 (Updated January 27, 2004 3:33 pm - DI 44)

**Citations Affected:** IC 6-1.1.

**Synopsis:** Tax abatement fee. Provides that a municipality or county that grants a tax abatement to a property owner may impose an annual fee with the consent of the property owner. Provides that the amount of the fee is equal to: (1) a percentage of the additional property taxes that would have been paid during that year without the abatement (not to exceed 15%), or (2) \$100,000, whichever is less. Allows the designating body to terminate the abatement if the fee is not paid.

**Effective:** July 1, 2004.

**Skillman, Hume, Jackman**

January 8, 2004, read first time and referred to Committee on Finance.  
January 22, 2004, amended, reported favorably — Do Pass.  
January 27, 2004, read second time, amended, ordered engrossed.

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SB 274—LS 6906/DI 44+



Second Regular Session 113th General Assembly (2004)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2003 Regular Session of the General Assembly.

## SENATE BILL No. 274

A BILL FOR AN ACT to amend the Indiana Code concerning  
taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-1.1-12.1-14 IS ADDED TO THE INDIANA  
2       CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3       [EFFECTIVE JULY 1, 2004]: **Sec. 14. (a) This section does not apply**  
4       **to:**

5               (1) a deduction under section 3 of this chapter for property  
6               located in a residentially distressed area; or

7               (2) any other deduction under section 3 or 4.5 of this chapter  
8               for which a statement of benefits was approved before July 1,  
9               2004.

10       (b) A property owner that receives a deduction under section 3  
11       or 4.5 of this chapter is subject to this section only if the  
12       designating body, with the consent of the property owner,  
13       incorporates this section, including the percentage to be applied by  
14       the county auditor for purposes of STEP TWO of subsection (c),  
15       into its initial approval of the property owner's statement of  
16       benefits and deduction at the time of that approval.

17       (c) During each year in which a property owner's property tax

SB 274—LS 6906/DI 44+



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liability is reduced by a deduction granted under this chapter, the property owner shall pay to the county treasurer a fee in an amount determined by the county auditor. The county auditor shall determine the amount of the fee to be paid by the property owner according to the following formula:

**STEP ONE:** Determine the additional amount of property taxes that would have been paid by the property owner during the year if the deduction had not been in effect.

**STEP TWO:** Multiply the amount determined under STEP ONE by the percentage determined by the designating body under subsection (b), which may not exceed fifteen percent (15%). The percentage determined by the designating body remains in effect throughout the term of the deduction and may not be changed.

**STEP THREE:** Determine the lesser of the STEP TWO product or one hundred thousand dollars (\$100,000).

(d) Fees collected under this section must be distributed to one (1) or more public or nonprofit entities established to promote economic development within the corporate limits of the city, town, or county served by the designating body. The designating body shall notify the county treasurer of the entities that are to receive distributions under this section and the relative proportions of those distributions. The county treasurer shall distribute fees collected under this section in accordance with the designating body's instructions.

(e) If the designating body determines that a property owner has not paid a fee imposed under this section, the designating body may adopt a resolution terminating the property owner's deduction under section 3 or 4.5 of this chapter. If the designating body adopts such a resolution, the deduction does not apply to the next installment of property taxes owed by the property owner or to any subsequent installment of property taxes.

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SENATE MOTION

Madam President: I move that Senator Hume be added as second author of Senate Bill 274.

SKILLMAN

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SENATE MOTION

Madam President: I move that Senator Jackman be added as coauthor of Senate Bill 274.

SKILLMAN

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## COMMITTEE REPORT

Madam President: The Senate Committee on Finance, to which was referred Senate Bill No. 274, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 2, between lines 10 and 11, begin a new line block indented and insert:

**"STEP THREE: Determine the lesser of the STEP TWO product or one hundred thousand dollars (\$100,000)."**

Page 2, line 12, delete "private entities that" and insert "**nonprofit entities established to**".

and when so amended that said bill do pass.

(Reference is to SB 274 as introduced.)

BORST, Chairperson

Committee Vote: Yeas 12, Nays 2.

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## SENATE MOTION

Madam President: I move that Senate Bill 274 be amended to read as follows:

Page 1, line 10, delete "has received" and insert "**receives**".

Page 1, line 11, after "this section" insert "**only**".

Page 1, line 12, delete "adopts a resolution incorporating this section for" and insert "**, with the consent of the property owner, incorporates this section, including the percentage to be applied by the county auditor for purposes of STEP TWO of subsection (c), into its initial approval of the property owner's statement of benefits and deduction at the time of that approval.**".

Page 1, delete lines 13 through 14.

Page 2, line 8, delete "a percentage specified" and insert "**the percentage determined**".

Page 2, line 8, delete "in the".

Page 2, line 9, delete "resolution adopted".

Page 2, line 10, after "(15%)." insert "**The percentage determined by the designating body remains in effect throughout the term of the deduction and may not be changed.**".

(Reference is to SB 274 as printed January 23, 2004.)

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